United Nations DP/2006/34-DP/FPA/2006/12

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
28 April 2006

Original: English

Annual session 2006
12 to 23 June 2006, Geneva
Item 17 of the provisional agenda
Programming process

UNITED NATIONS DEVELOPMENT PROGRAMME

AND

UNITED NATIONS POPULATION FUND

Options for improving the harmonized country programme approval process*

I. Introduction

1. In decisions 2005/28 and 2005/9, respectively, the Executive Boards of UNDP/UNFPA and the United Nations Children's Fund (UNICEF) requested that a report, elaborated jointly, be presented for discussion at their annual sessions 2006, on proposals to further improve the current harmonized country programme approval procedure. The Executive Board of the World Food Programme (WFP) also expressed its desire to continue to discuss simplification of the country programming process.

2. This report responds to those decisions and to the 2004 triennial comprehensive policy review of operational activities for development of the United Nations system, especially paragraphs 49 and 50 of General Assembly resolution 59/250 of 22 December 2004. It presents options to modify the country programme approval process by the respective Executive Boards. The Executive Committee of the United Nations Development Group (UNDG), in consultation with all UNDG members – including the specialized agencies – jointly elaborated the report. The report includes feedback from Member States; from the January 2006 joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP; and from subsequent informal discussions.

3. The options to modify the country programme approval process presented in this report should be considered in the context of ongoing discussions on United Nations system-wide coherence, specifically on further simplifying and harmonizing the UNDG country programming procedures in the spirit of 'one team, one leader and one programme.' Discussions with Member States and lessons learned indicate that improvements can be made, based on the principle of national ownership, by capitalizing on the strengths of

*The secretariats of UNDP, UNFPA, UNICEF and WFP have jointly elaborated this report.

06-33484 (E) 240506

the current United Nations Development Assistance Framework (UNDAF) process and by enhancing the coherence between the collective United Nations contribution and those of individual United Nations organizations, including realizing the potential for joint initiatives and enhancing the delivery and effectiveness of development cooperation.

4. This report presents options to further improve the approval process of country programmes by the governing bodies of UNDP/UNFPA, UNICEF and WFP, in response to specific Executive Board requests. Annex 1 presents the UNDG process for simplifying and harmonizing the United Nations programming and documentation processes. Annex 2 provides an outline of the contents of a consolidated document at the country level – the consolidated UNDAF – which would reduce transaction costs and redundancies in programme documentation while strengthening the results focus and the ability of the United Nations country team to achieve results. As with the present UNDAF, this document would be approved by the host country government and members of the United Nations country team. Annex 3 contains a format for a simplified presentation of organization-specific contributions to the consolidated UNDAF. The organization-specific contributions would be reviewed and approved by the respective governing bodies, as is currently the case with country programme documents.

II. Principles

5. Member States and the development community have agreed to improve aid effectiveness through better alignment with national priorities and systems as articulated in General Assembly resolution 59/250 and the Paris Declaration on Aid Effectiveness. In addition, the 2005 World Summit Outcome welcomed "…further aligning assistance with countries' strategies, building institutional capacities, reducing transaction costs and eliminating bureaucratic procedures, making progress on untying aid, enhancing the absorptive capacity and financial management of recipient countries and strengthening the focus on development results."[1]

6. The simplification and harmonization of the United Nations programming process must adhere to a set of principles that clarify results and define accountabilities. The principles are as follows:

(a) The overarching principle is national ownership and leadership of the process, its products and results. This includes aligning the United Nations programming process with national planning and programming processes;

(b) The primary principle is that the United Nations should make a collective, strategic contribution in response to national priorities and internationally agreed development goals, including the Millennium Development Goals. The purpose of simplification and harmonization is to enable the United Nations to unleash its substantive potential to support national priorities and to demonstrate its continuing relevance and effectiveness;

(c) Simplification and harmonization should not undermine participation, transparency or the consultative process at the national level, nor should they hinder accountability or the ability of organizations to report on results achieved and resources used;

(d) Simplification and harmonization should lead to a reduction in transaction costs for national partners and the United Nations country team;

[1] A/RES/60/1, paragraph 23 (c).

(e) Simplification and harmonization of the programming process do not mean diluting the substantive contribution that the United Nations can make collectively or individually through its mandates and experience, international conferences, and human rights conventions and treaties;

(f) Simplification and harmonization of the documentation process are intended to better enable United Nations country teams to work strategically, and should encourage active participation from all United Nations organizations, including non-resident agencies in the country concerned;

(g) Simplification and harmonization should not diminish the gains in coordination and team spirit acquired through United Nations reform efforts. Indeed, they should improve coherence and coordination.

III. Options for country programme preparation and format

7. The harmonized country programme approval process seeks to ensure the continuance of appropriate governing body review and approval of the multi-year programme of cooperation of each United Nations organization in a country, within the framework of the UNDAF, consistent with the multi-year funding framework or multi-year strategic plan of each organization.

8. Currently, governing body members review organization-specific results and resources for each country through the draft country programme documents. These documents are derived from the UNDAF, but are usually prepared separately by each organization. Under the present proposal, the standard format used for governing body review and approval of programme contributions from the agencies to the consolidated UNDAF would be modified to achieve alignment with the UNDAF and its implementation. The simplified formats would form part of an overall consolidated UNDAF document, developed under national leadership.

9. Governing body members will continue to review, comment on and approve the organization-specific planned results and resources for the programme of cooperation in a particular country. They will do so primarily by reviewing and approving the specific contribution of the organization to the consolidated UNDAF, which will be included in section C thereof (see annex 1). In reviewing the individual component of each organization, governing body members will be able to refer to the consolidated UNDAF, which will be posted in advance on the website of each organization.

10. Under the modified approach, the consolidated UNDAF document would be signed by the Government, the Resident Coordinator and the members of United Nations country team, following approval by the Executive Boards of the organization-specific contribution (section C). In the event that one or more Executive Boards suggest modifications to the respective section C, these suggestions would be considered by the country-level partners. Modifications would be made to that section and/or to other components of the consolidated UNDAF, subject to the agreement of the Government, as is currently the case.

11. In the exceptional case that an Executive Board does not approve an organization-specific section C following the first review, the remainder of the consolidated UNDAF would proceed while further consultations on the organization-specific contribution took place. If approval of the organization-specific contribution was not secured in time for the commencement of the new harmonized programme cycle, the organization would continue to cooperate in the country on the basis of its earlier approved programme, which the Board would be requested to extend for the required time, in accordance with current procedures.

12. The modified approach reduces redundancies in the results structure of the current process; strengthens national ownership in the implementation of the UNDAF; and represents the most effective system for managing country programme preparation and approval. Such improvements respond to General Assembly resolution 59/250 of 22 December 2004 on the triennial comprehensive policy review and are necessary to further promote United Nations reform and harmonization.

13. This report proposes that, since the modified approach simplifies the most important elements of UNDG procedures for country programming, it should be adopted by all countries presenting new programmes for approval in 2007. The experience with the first year of adoption of the modified approach should then be assessed.

14. Another option for countries presenting new programmes in 2007 is that Governments, together with the respective United Nations country teams, could decide whether or not they wished to opt in to the modified approach or to continue using the present multiple-document system. This alternative would have significant costs as it would entail the operation of parallel country programme preparation and approval processes, and would not fully realize the benefits of the modified approach described in this report. Costs related to maintaining the two systems would include the cost of developing guidelines and delivering training in the new procedures; a complicated support system to share experiences of the two systems; and two different formats for governing bodies to review and consider.

IV. Options for approval of the organization-specific contribution to the consolidated UNDAF

15. In the current system, and in the modified approach recommended above, a draft version of the organization-specific contribution (section C) to the consolidated UNDAF will normally be submitted for review to the Executive Boards at their annual sessions. Final approval of the organization-specific contribution to the consolidated UNDAF will occur following any necessary revisions made in consultation with the respective Government and with other national and United Nations partners, based on comments by Board members.

16. Three options are put forward in respect of the harmonized mechanism to be used for Executive Board approval of the revised organization-specific contribution (section C) to the consolidated UNDAF:

(a) Option A: *approval on the basis of electronic posting* of the revised organization-specific contribution to the consolidated UNDAF on the organization website, to take place automatically six weeks after Board members have been notified of the posting, unless at least five Board members notify the secretariat in writing of their wish for further formal discussions;

(b) Option B: approval as in option A above, but *also with a hard copy* of the revised programme document, to be provided by the secretariat to each Board member at the time of the electronic posting;

(c) Option C: following electronic posting and the provision to each Board member of a hard copy of the revised organization-specific contribution, *approval on a no-objection basis at the next Executive Board session* following the session at which the draft programme document was reviewed; or *approval following further formal discussion* at the Executive Board session following the session at which the draft contribution was reviewed, in cases where at least five Board members have notified the secretariat in writing of their wish for further formal discussions.

V. Draft decision

The Executive Board,

Reiterating the overarching principle of national leadership and ownership of United Nations multi-year programmes of cooperation at the country level,

Recalling the need to further simplify the programme preparation process in order to enhance the relevance, effectiveness and benefits for national development efforts of the collective collaboration of the United Nations system agencies, funds and programmes working together synergistically, based on their respective strengths, mandates and experience,

Cognizant of the ongoing high-level discussions on United Nations system-wide coherence,

Emphasizing the need to ensure an inclusive and transparent consultative process in programme preparation,

Further emphasizing that measures taken to achieve further simplification should lead to the reduction of the transaction costs of cooperation for national partners,

Stressing the importance of accountability of the United Nations agencies, funds and programmes and their ability to report on resources used and results achieved;

Reaffirming the need to ensure appropriate Executive Board review and approval of multi-year cooperation programmes, consistent with the multi-year funding framework or strategic plan of the particular organization, fund or programme,

Noting with satisfaction the continuing initiatives of the United Nations Development Group agencies to develop practical steps to further simplify the preparation process for United Nations country programmes of cooperation with national partners, and in particular, the introduction of the consolidated UNDAF document and the use of a simplified results-based format and budget for organization-specific contributions thereto (as outlined in annex 3 of documents E/ICEF/2006/12 and DP/2006/34-DP/FPA/2006/12),

Decides that:

1. Beginning in 2007, Governments of programme countries, together with the respective United Nations country team, would use [alternative: may opt to use or not use] the modified approach to develop new programmes of cooperation with United Nations organizations, including for the review and approval by the respective Executive Board of the organization-specific contributions to the consolidated UNDAF, in the context of national priorities;

2. The UNDAF document will be made available to members of the Executive Board, for their information, on the organization website, prior to review and approval of the organization-specific contributions thereto;

3. Organization-specific contributions will continue to be presented at the annual session of the Executive Board for review. However, where country-specific circumstances require, contributions may be presented, on an exceptional basis, at the second regular session;

4. The process for Executive Board approval of organization-specific contributions will be modified as follows:

(a) Option A: approval on the basis of electronic posting of the revised organization-specific contribution on the agency website, to take place automatically six weeks after Board members have been notified of the posting, unless at least five Board members notify the secretariat in writing of their wish for further formal discussions;

(b) Option B: approval on the basis of electronic posting of the revised organization-specific contribution on the agency website, with notification to Board members that the document has been posted, and the provision of a hard copy of the revised organization-specific contribution by the secretariat to all Board members, to take place automatically after a six-week period, unless at least five Board members have notified the secretariat in writing of their wish for further formal discussions;

(c) Option C: following electronic posting on the website of the organization, with notification to Board members that the document has been posted, and the provision to each Board member of a hard copy of the revised organization-specific contribution, approval on a no-objection basis at the next Executive Board session following the session at which the contribution was reviewed; or approval at the next Executive Board session following the session at which the draft contribution was reviewed, following further formal discussion at the Executive Board, in cases where at least five Board members have notified the secretariat in writing of their wish for further formal discussions;

5. The process of review and approval of organization-specific contributions by Executive Board members will seek to reinforce national ownership and the accountability of the organization to its Executive Board, including by examining the coherence of the contribution with the organizational strategic plan;

6. The Executive Board will assess the experience in using the modified approach following its first year of operation.

Annex 1
Further simplifying and harmonizing the UNDG programming process

A. Programme preparation

1. For country programmes to be approved in 2007 and initiated in 2008, countries would use the consolidated UNDAF document and the organization-specific contribution for submission to the Executive Board. The consolidated UNDAF will encompass the different functions of the current documents (the UNDAF, the UNDAF results matrix, country programme documents and country programme action plans). The consolidated UNDAF document would consist of the following:

(a) Section A: A statement articulating the strategic role of the United Nations in support of national priorities and how United Nations organizations will work synergistically to support that role. This refers to the entire United Nations system, including resident and non-resident United Nations organizations;

(b) Section B: A United Nations development assistance results matrix, a monitoring and evaluation matrix, and a summary budget;

(c) Section C: An organization-specific contribution (results and resources) to the consolidated UNDAF results framework. This refers to the UNDG Executive Committee agencies as well as to other United Nations organizations that may decide to adopt this format and approach. This section will be presented to the respective governing bodies for approval;

(d) Section D: Operational provisions and clauses for United Nations operations in the country, including any specific fiduciary arrangements for individual organizations vis-à-vis the Government. This refers to the UNDG Executive Committee agencies as well as to other United Nations organizations that may decide to adopt this format and approach.

2. The proposed outline of the table of contents for the consolidated UNDAF document is shown in annex 2. The proposed outline of section C covering the organization-specific contribution is shown in annex 3.

3. No new proposals have been made with regard to the common country assessment (CCA), which will continue to be undertaken according to existing procedures and policies.

Results expected from programme preparation

4. The use of the consolidated UNDAF would seek to ensure:

(a) Appropriate national-level consultation, leadership, ownership and approval of the proposed United Nations multi-year programme of cooperation;

(b) Articulation and preparation of United Nations strategic, collective cooperation in support of national development results;

(c) That these priorities are defined through consultation with and leadership by national partners, with the involvement of United Nations organizations, including those which are non-resident, and other development partners;

(d) The ability to assess and account for the results and resources of the individual United Nations organizations participating in the programme.

Process and provisions for accountability

5. At the national level, the existing process and accountability provisions will continue. As is currently the case with the UNDAF, national partners will be fully involved in and lead the consultative process for developing the consolidated UNDAF. Non-resident agencies will also contribute to its formulation. This involvement will include consultations in preparing the United Nations analysis of national development challenges, national capacity constraints and opportunities, lessons learned from past experience, and priority areas and results for United Nations cooperation. Formal consultations will continue through, inter alia, the existing joint strategy meetings, to ensure coherence among United Nations organizations within the framework of the consolidated UNDAF and alignment with national priorities.

6. The Government, the Resident Coordinator and United Nations country team members will develop the draft sections of the consolidated UNDAF prior to submission of the organization-specific contributions (section C) to the respective Executive Boards.

7. The UNDG regional quality-support and assurance process – a collaborative, United Nations-wide exercise – will continue to provide collective inputs to and review the process of preparing the consolidated UNDAF by United Nations country teams. In this review, the regions will ensure that the results reflect progress towards the Millennium Development Goals and other global agreements, norms and standards.

B. Programme approval and implementation

8. Under the modified approach, governing body members will continue to review, comment on and approve organization-specific contributions for the programme of cooperation in a particular country. They will do so by reviewing and approving section C of the consolidated UNDAF. In reviewing the organization-specific contribution, they will also refer to the draft consolidated UNDAF, which will be posted in advance on the website of each organization.

9. The aim of the review and approval process is to ensure appropriate governing body review and approval of the multi-year programme of cooperation of each United Nations organization in a given country, within the framework of the consolidated UNDAF, consistent with the multi-year funding framework or the multi-year strategic plan of the particular organization.

10. Under the modified approach, the Government, the Resident Coordinator and the members of the United Nations country team would sign the consolidated UNDAF document following approval by the respective Executive Boards of the organization-specific contributions (section C). In the event that one or more of the Executive Boards suggest modifications to section C, the country-level partners would consider these suggestions and modifications would be made to that section and/or to other components of the consolidated UNDAF, subject to the agreement of the Government.

11. In the exceptional event that an Executive Board does not approve an organization-specific contribution (section C) following the first review, the remainder of the consolidated UNDAF would proceed while further consultations on the agency-specific contribution were taking place. If approval of the new organization-specific contribution was not secured in time for the commencement of the new harmonized programme cycle, the organization would continue to cooperate in the country as a member of the United

Nations country team on the basis of its earlier-approved programme, which the Board would be requested to extend for the required time, in accordance with current procedures.

12. Under the modified approach, the Government and the United Nations country team will continue to be mutually accountable for monitoring progress towards UNDAF outcomes, and will follow existing procedures, including an annual UNDAF review process with the participation of national implementing and cooperating partners and United Nations organizations. The progress made in implementing the UNDAF will form the basis of the annual report of the Resident Coordinator and the United Nations country team. An UNDAF evaluation will normally be undertaken in the penultimate year of the programme cycle. The main outcomes and findings of the UNDAF evaluation will be reflected in the design of the UNDAF and the organization-specific contributions for the next programme cycle.

13. The regional directors of the UNDG Executive Committee agencies will continue to review the performance of the resident coordinators and their staff against their implementation of the UNDAF. Individual organizations will continue to review the performance of their staff against the specific contributions for which that organization is responsible within the UNDAF. Additional efforts will be made at the country level to enhance mutual accountability with the resident coordinator and within the United Nations country team.

14. As is currently the case, those organizations with a multi-year funding framework or strategic plan will report to their respective Executive Boards on the implementation of their multi-year funding framework or strategic plan, incorporating results from programme cooperation in individual countries and at the country level.

Annex 2
Outline of the contents of a consolidated UNDAF

The purpose of this annex is to outline the contents of the consolidated UNDAF. It draws on the existing formats and guidelines for each of the current individual documents (the UNDAF, the UNDAF results matrix, country programme documents and country programme action plans) and seeks to avoid duplication while ensuring that the core functions of the individual documents are reflected in the consolidated UNDAF.

Section A: The strategic role of the United Nations in support of national priorities

1. The situation analysis includes:

(a) A summary analysis of the major challenges relating to national priorities (drawing on, inter alia, the national development plan, the poverty reduction strategy, the CCA, national monitoring systems and reports of States party to treaty bodies) and national progress towards the internationally agreed development goals and human rights commitments, including the Millennium Declaration and the 2005 World Summit Outcome;

(b) An assessment of national capacity gaps and opportunities;

(c) An application of the lessons learned and results achieved from the previous cycle of United Nations cooperation for the consolidated UNDAF.

2. The strategic role of the United Nations includes:

(a) A narrative summary of the key priority outcomes to which the United Nations system will contribute, consistent with the situation analysis, focusing on population groups of highest priority, and outlining the link between those outcomes and national development priorities, goals, targets or commitments in each area of cooperation;

(b) A narrative summary of the specific results, especially the capacity-development results, that the United Nations system expects to realize within the time frame of the programme, and the indicative resources required for each outcome;

(c) A concise presentation of the complementary and synergistic roles of United Nations organizations and partners in achieving each outcome, including the identification of joint programmes and of lead and supporting United Nations organizations for each outcome, and the assignment of each output to a United Nations lead agency;

(d) A summary of monitoring and evaluation methods and tools.

Section B: Consolidated UNDAF results and monitoring and evaluation matrix

The consolidated UNDAF results and monitoring and evaluation matrix presents the key priority outcomes to which the United Nations system will contribute, and the expected outputs and resources for each outcome. The matrix outlines the coordination mechanisms and programme modalities, including joint

programmes, and includes progress indicators, baselines, means and sources of verification, risks and assumptions. The matrix is outlined below:

<table>
<tr><td colspan="4">Consolidated UNDAF results and monitoring and evaluation matrix</td></tr>
<tr><td colspan="4">National priority or goals:
• To the attainment of which the consolidated UNDAF outcome is expected to contribute. The selected national goals or targets should relate to specific Millennium Development Goals and/or other commitments, goals and targets of the Millennium Declaration and international conferences, summits, conventions, human rights instruments and monitoring mechanisms of the United Nations system.
• Ideally, the national priority or goal would be expressed as an expected and verifiable change in the lives of people.</td></tr>
<tr><td colspan="4">Outcome by the end of the programme cycle:
• The consolidated UNDAF outcome contributes to the national effort to address the selected national priority or achieve the selected national goal or commitment.
• In most cases, the achievement of a consolidated UNDAF outcome will require the collaborative effort of United Nations organizations, in collaboration with other development partners.
• Typically, the consolidated UNDAF outcome will be formulated as an expected change in national systems or capacities at different levels, to achieve the national priority or goals, or as behavioural change. It may represent a contribution at either the national or subnational level.</td></tr>
<tr><td>Consolidated UNDAF outcomes and United Nations contributing agencies</td><td>Outputs</td><td>Role of partners</td><td>Resource mobilization targets</td></tr>
<tr><td>Consolidated UNDAF outcome No. 1

Consolidated UNDAF outcomes describe the intended results and list the individual agencies contributing to the outcome in lead and supporting roles.</td><td>Outputs refer to specific products or services resulting from development interventions. Outputs may be 'owned' by a specific agency.</td><td rowspan="2">Lead and supporting partners, and the role and contributions of national and international partners to attain the consolidated UNDAF outcomes</td><td rowspan="2">These are the indicative estimates of the resources that agencies plan to raise and make available in support of the specific outcomes or outputs, broken down by regular and other resources.</td></tr>
<tr><td>Consolidated UNDAF outcome No. 2….. etc.</td><td>Outputs….. etc.</td></tr>
<tr><td colspan="4">Coordination mechanisms and programme modalities:
• Describe the coordination mechanisms among United Nations organizations and partners that will contribute to the consolidated UNDAF outcome (such as joint programmes, thematic groups and sector mechanisms).</td></tr>
</table>

Consolidated UNDAF outcomes	Key indicator(s) and baselines	Means and sources of verification	Risks and assumptions
Outcome 1 1.1 Contributing outputs 1.2 Contributing - outputs	Indicators (output indicators if available) Baselines	Means: surveys, evaluations, field visits, government reports and national statistical systems Sources: Institutions, agencies and all partners responsible	Risks and assumptions for each consolidated UNDAF and project outcome

Section C: Organization-specific contributions to the consolidated UNDAF, including financial contributions

See annex 3 for format.

Section D: Operational and legal provisions and clauses for United Nations operations in the country, including the fiduciary arrangements for individual organizations vis-à-vis the national Government.[2/]

(a) The cooperation framework;

(b) Basis of relationship;

(c) Programme management (including cash-transfer clauses, and supply or in-kind assistance clauses);

(d) Monitoring and evaluation (including monitoring and evaluation of the use of funds, and supply or in-kind assistance clauses);

(e) Commitments of United Nations organizations;

(f) Commitments of the Government;

(g) Other provisions;

(h) Signatures by Government and United Nations organizations.

2/ Projects will be implemented through annual work plans and through additional supporting documentation as required.

Annex 3

Proposed format for section C of the consolidated UNDAF: Organization-specific contributions to the consolidated UNDAF

Organization (name) contribution to the consolidated UNDAF in (country), and date of cycle					
National goal or target: **Millennium Development Goal/Millennium Declaration target or other commitments:**					
Intended consolidated UNDAF outcome No. 1: extracted from section B of the consolidated UNDAF results matrix					
Organization-specific result (multi-year funding framework or midterm strategic plan)	**Key outputs expected**	**Key progress indicators and baselines**	**Means of verification (including monitoring instruments and evaluations)**	**Major national United Nations and other partners, national frameworks, (indicate if a joint programme)**	**Funding amounts and sources**[3]
	No.1				Regular resources
					Other resources
	No.2				Regular resources
					Other resources
	No.3				Regular resources
					Other resources

3/ Agencies define funding categories differently; the relevant categories will be applied in this matrix.

A one- to two-page summary note would accompany the organization-specific matrix and would include:

(a) A narrative summary of the relationship with the organizational strategic framework;

(b) A narrative summary of the relationship of the organization-specific contribution to the consolidated UNDAF outcomes and national results;

(c) A budget summary (by outcome and major output);

(e) Specific monitoring and evaluation provisions.